

NUSF-99.18

Steve Meradith
Regional Vice President, State Government Affairs
1440 M Street
Lincoln, Nebraska 68508-2591

(402) 436-4160
stephen.meradith@windstream.com



October 4th, 2018

Mr. Michael Hybl
Executive Director
Nebraska Public Service Commission
300 The Atrium, 1200 "N" Street
Lincoln, NE 68508C

RE: In the Matter of the Nebraska Public Service Commission, on its own Motion to administer the Universal Service Fund High-Cost Program: Windstream Nebraska, Inc. Broadband Grant Requests

Dear Mr. Hybl:

Windstream Nebraska, Inc. is filing six applications for projects that are all going to be deployed in the Ashland exchange. Those projects are Ashland-North, Ashland-Memphis Community, Ashland-Wann Community, Ashland-North CSA 1P, Ashland South CSA 6G and finally Ashland-South CSA 6K. Attached is the application for Ashland-North. We are seeking approval of all of these applications at the same time so we can effectively move into the construction phase. An electronic version of this filing has also been submitted to the NUSF Staff.

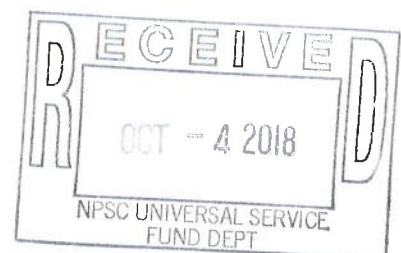
If you have any questions or require any additional information, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Steve Meradith".

Steve Meradith
Regional Vice President – State Government Affairs
Windstream Communications
1440 "M" Street
Lincoln, NE 68508

Enclosures



WINSTREAM NEBRASKA, INC.

NUSF-99 PRICE CAP APPLICATION – ASHLAND EXCHANGE - North

Checklist Item No. 1:

A description of the proposed broadband project including download/upload speed capabilities which can be provided and a description of the proposed network infrastructure to be deployed. Minimum speed standards should be 4 mbps download and 1 mbps upload.

Windstream's Response:

Windstream is filing six applications for projects that are all going to be deployed in the Ashland exchange, those projects are Ashland – North, Ashland – Memphis Community, Ashland – Wann Community, Ashland – North CSA 1P, Ashland – South CSA 6G, Ashland – South CSA 6K. We are seeking approval of all of these applications at the same time, so we can effectively move into the construction phase.

Windstream submits the following project for the Commission's consideration of NUSF-99 broadband funding, to be constructed upon funding approval, using funding available from the 2016 funding allocation.

- Fiber fed DSLAM to serve a portion of the Northern area of Ashland, NE ILEC Exchange (Partial funding requested)

The Central Office for Ashland is currently connected with interoffice fiber facilities. Customers within reach of the office are qualified for 4Mbps down / 1Mbps upload broadband or better (up to 100Mbps), depending on the copper loop length from the equipment. This project intends to address customers in the Northern area of the exchange that have exceptionally long loop lengths and therefore are not broadband qualified by providing a Fiber fed DSLAM solution.

- The project will place one DSLAM site at a remote location approximately 4.5 miles north of the Central Office, along with fiber cable placed to the nearest available connection on an existing fiber route.
- The remote DSLAM will provide the broadband connection to the customers, and have fiber backhaul to the Central Office location.

These network upgrades will enable a network capable of minimum speeds of 10Mbps download and 1Mbps upload for all impacted customers, and depending upon the distance from the remote DSLAM, the majority of customers will have speeds of 25Mbps and up to 100Mbps available.

Windstream projects the total deployment costs for this project is \$186,259 and Windstream is requesting Nebraska Universal Service Funding of \$164,972, the difference between the total project costs and the requested funding is because Windstream is not seeking funding for the areas funded by

the FCC's Connect America Fund Phase 2 program. Windstream is requesting that the funding for this project be applied against the remaining 2016 funds allotted to Windstream.

Checklist Item No. 2:

A list in Excel Format of all the census blocks where broadband facilities would be deployed for the proposed project, which shall include 2010 Census Block identification number of service area, by project.

Windstream's Response:

See Attached Checklist Item #2.

Checklist Item No. 3:

An estimate of the number of potential new broadband subscribers for each project.

Windstream's Response:

See Attached Checklist Item #3

Checklist Item No. 4:

An estimated schedule for broadband deployment.

Windstream Response:

Windstream stands ready to begin project work immediately upon approval of the application, the deployment schedule will be as indicated in the Attached Checklist Item #4.

Checklist Item No. 5:

A proposed budget, showing total project costs, in electronic format, with a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment.

Windstream Response:

Please see Attached Checklist Item #5 which also includes the depreciation schedule showing the life of investment for the major plant categories associated with these projects.

Checklist Item No. 6:

Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered. At a minimum the pricing should reflect the stand alone price for the speeds to be offered to the customer.

Windstream Response:

Attached Checklist Item #6 provides a listing of the retail pricing for the broadband services Windstream will be offering in the proposed service areas. This price list is consistent with Windstream pricing for similar services in other Nebraska exchanges.

Checklist Item No. 7:

The company's commitment to offer broadband services to all households within the service area of the project for a minimum of five (5) years.

Windstream Response:

If approved for funding, Windstream commits to offer broadband service to all households within the service area of the project for a minimum of five (5) years.

Checklist Item No. 8:

An affidavit from the company attesting 1) (a) that the area of the proposed project is a CAF II eligible area and have not refused CAF II funding, or (b) that the area of the proposed project is ineligible for CAF II funding. 2) That the company has done its due diligence to verify that comparable broadband does not already exist in the area of the proposed project. 3) The truth and accuracy of all information included in the project filing.

Windstream Response:

The Affidavit of Brad Brannon is provided in Attached Checklist Item #8.

CHECK LIST #2 CENSUS BLOCKS

Criteria for Determining NUSF Eligibility for Census Blocks in Priority Order for Projects Using Fixed Wireless Technology:

- 1) If Census Block is CAF 2 - Not Eligible
- 2) If Census Block has Wireline Competitor with at least 10/1 broadband - Not Eligible
- 3) If Census Block Wireline Competitor is a Neighboring ILEC Sharing Service in the Census Block - Eligible
- 4) If Census Block has a Fixed Wireless Competitor with at least 10/1 Broadband but Does Not Provide Voice - Eligible
- 5) If proposal is for a wireline solution, then Fixed Wireless census blocks are counted - Eligible

Census Blocks	CAF 2 and Form 477 Status	Is Wireline Competitor a Neighboring ILEC?	Is Project Technology Wireline Based?	NUSF Eligibility
311559684002159	CAF2	No Wireline Competitor		CAF2
311559684002196	CAF2	No Wireline Competitor		CAF2
311559684002206	CAF2	No Wireline Competitor		CAF2
311559684002173	CAF2	No Wireline Competitor		CAF2
311559684002164	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002165	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002163	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002171	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002182	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002178	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002240	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002162	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002177	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002184	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002210	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002242	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002168	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002179	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002243	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002211	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002167	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002209	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002207	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002180	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002161	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002185	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002176	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002201	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002241	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002195	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002166	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002175	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002208	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002169	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311559684002174	Competition - FW	No Wireline Competitor	Y	NE BB Eligible

Summary	# Census Blocks	%
CAF2	4	11%
NE BB Eligible	31	89%
Competition - FW	0	0%
Competition - Other	0	0%
Total	35	100%

Eligible for Funding 31 88.6%

Check List #3 Subscribers

Exchange	# Locations in Deployment Area
Ashland	266

Estimated Broadband Take Rate	50%
New Broadband Subscribers	133

50% Take Rate assumption is likely low since broadband is generally not available due to long loop lengths

Checklist Item #4 Estimated Schedule

Proposed Schedule: Total time for project is 120 to 150 days:

	<u>DSLAM Site</u>
Engineering design & approval	30 Calendar Days
Permitting & material acquisition	30 Calendar Days
Equipment deployment, testing, and turn-up	60 to 90 Calendar Days

Schedule is subject to seasonal limitations regarding when construction can commence or be completed.

Check List #5 Budget & Depreciation

Budget

Fiber Build

Item	Labor	Material	Item Total	Quantity	Mat Total	Total	Notes
Fiber Bulldout	\$29,701	\$145,011	\$174,712	1	\$145,011	\$174,712	Placement of 29,360ft of fiber cable
Total					\$145,011	\$174,712	

Remote Site

Item	Labor	Material	Item Total	Quantity	Mat Total	Total	Notes
Remote Equipment	\$987	\$10,560	\$11,547	1	\$10,560	\$11,547	2-TA1248VXPs AC powered
Total					\$10,560	\$11,547	

Grand Total **\$155,571** **\$186,259**

Excluded Costs

ROW		0				\$0	
IDC	\$155,571	5.0%				\$7,779	
Tax	\$155,571	7.0%				\$10,890	

Total Project Costs **\$186,259**

% of Eligible Census Blocks from Checklist #2 **88.6%**

Requested Funding Amount **\$164,972**

Depreciation Lives

Life In Years

Digital Circuit - ADSL	8
Poles	25
Buried Cable - Fiberoptic	25

Check List #6 Pricing

Price for Internet Only (HSI Simple or Solo Internet)				
Speed		Standard Price	Current Promo	Net Price
Up to 25Mb		\$45	\$10 off for 12 months	\$35
50Mb		\$45	\$10 off for 12 months	\$35
100Mb		\$45	\$10 off for 12 months	\$35
1 Gbps		\$75	\$20 off for 12 months	\$55

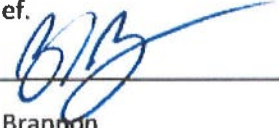
Price for Internet + Bundle Phone Adder				
Speed		Standard Price	Current Promo	Net Price
Up to 25Mb		\$65	\$10 off for 12 months	\$55
50Mb		\$65	\$10 off for 12 months	\$55
100Mb		\$65	\$10 off for 12 months	\$55
1 Gbps		\$95	\$20 off for 12 months	\$75

\$50 Activation Fee and Free Professional Installation

AFFIDAVIT OF BRAD BRANNON

I, Brad Brannon, being first duly sworn upon oath, state as follows:

1. I am currently employed by Windstream as the Vice President Consumer & Small Business - Business Intelligence. In that capacity, I am personally familiar with the company's network structure in Nebraska.
2. I have reviewed the foregoing project filing and certify that (a) the areas of the proposed project are CAF II eligible areas and have not refused CAF II funding, or the areas of the proposed project are ineligible for CAF II funding; (b) Windstream has done its due diligence to verify that comparable broadband does not already exist in the areas of the proposed project that we are requesting funding; and (c) all information included in the project filing is true and accurate to the best of my knowledge and belief.


Brad Brannon

ACKNOWLEDGMENT

STATE OF ARKANSAS)

:SS

COUNTY OF ~~PULASKI~~ Lonoke



Subscribed, sworn to and acknowledged before me on this 25th day of September 2018
by Brad Brannon


Notary Public

My Commission Expires:

09-15-2024